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SUMMARY

of the

REPORT ON THE IN-DEPTH REVIEW OF THE NATIONAL COMMUNICATION

of

THE NETHERLANDS

(The full text of the report (in English only) is contained in document FCCC/IDR.1/NLD

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Summary[1]

1. The in-depth review of the Netherlands' national communication, which in accordance with the country's ratification of the Convention covers the Kingdom in Europe, was carried out between November 1995 and March 1996 and included a country visit by the team from 20 to 24 November 1995. The team included experts from India, the Russian Federation, Canada and the International Energy Agency.

2. The Netherlands is a major natural gas producer. It uses approximately half of its production domestically, which also represents around 50 per cent of total energy supply. Oil represents a little more than a third, coal 10-15 per cent, and nuclear and renewables (mostly waste utilization) together 2 per cent. In 1990, imported electricity made up 1.2 per cent of the energy balance. Carbon dioxide (CO_2) emissions represented 78 per cent of emissions in 1990 on a global warming potential (GWP) basis. The energy use per capita was slightly lower than the average for countries of the Organisation for Economic Co-operation and Development (OECD), as were the CO_2 emissions per capita (approximately 11 compared to 12 tons in 1990). The Netherlands is a distribution and refining centre for north-western Europe as evidenced by the importance of the transport sector, and a processing centre for petrochemicals and metals which gives an energy-intensive industry structure. The emissions from bunker fuels are equivalent to 25 per cent of the total CO_2 emissions, which is the highest percentage reported by Parties that have submitted communications. Compared to most other European countries, the Netherlands has relatively low prices are for gas and electricity, while the gasoline prices are somewhat higher compared to most neighbouring countries. Recently, the supply of electricity, especially from combined heat and power (CHP) plants, has grown faster than demand and has created excess capacity.

3. The team concluded that the Netherlands in general had made considerable efforts to provide and present information in accordance with the guidelines. The team noted that climate change appears to have high political priority; the national strategy covers all aspects of climate change, actively involving relevant ministries and agencies. The Netherlands also has methodological strengths in fields such as inventories and projections, as well as in monitoring policies such as the voluntary agreements. As envisaged in the communication, the new Government has reoriented a number of policies and approaches and also implemented new ones.

4. The Netherlands started to develop and implement its climate strategy in the late 1980s and had to devise its own policy framework in terms of targets, reference years and inventories methodology, without being able to draw upon an established international

[1] In accordance with decision 2/CP.1 of the Conference of the Parties, the full draft of this report was communicated to the Government of the Netherlands, which had no further comments.

practice. The original approach for CO_2 proved to be slightly different from the reporting guidelines adopted subsequently by the Intergovernmental Panel on Climate Change (IPCC) for the national communications regarding base year and treatment of feedstocks. Further, emissions figures were adjusted for 1990 which was warmer than normal, which gives a difference of 3.8 per cent for CO_2. The differences are carefully explained in the communication. Still the team felt that the difference in approaches complicated an assessment of progress towards meeting the aim of the Convention. In 1995, the Netherlands adopted the IPCC methodology except for the temperature corrections.

5. In 1995 also, the Government revised its CO_2 emissions target, which is now to achieve a 3 per cent reduction from 1990 levels in 2000. This target relates to the temperature-corrected 1990 figure and is on a "net" basis adding emissions by sources and removals by sinks; and the Netherlands has adopted 1990 as base year and IPCC methodology to calculate emissions for feedstocks. The team notes that this target is almost equivalent, assuming 2000 is a 'normal average' year in temperature conditions, to a stabilization at 1990 non-temperature-corrected figures and that, given the effects of change in base year, and the present projections for feedstocks and sequestration, it equals an emission level 2-3 per cent higher than the target reported in the national communication. The Netherlands has also set itself targets of reducing methane (CH_4) emissions by 10 per cent and stabilizing nitrous oxide (N_2O) emissions at 1990 levels by 2000.

6. The policies outlined in the communication include a policy mix of standards and regulations, financial and fiscal incentives, long-term agreements between government and industry, education, and research and development, all of which are described as "no regrets" measures. The team noted the strong emphasis on the interaction between different measures affecting sectors such as transport, industry, energy transformation and residential. The team noted in particular the experience gained with voluntary agreements on energy conservation with industry since 1989, which had brought about a 9 per cent improvement in energy efficiency in major energy sectors between 1989 and 1994, and the environmental programmes implemented by the energy distribution sector. Further, the existing environmental tax and the regulatory energy/CO_2 tax introduced on 1 January 1996 appear from the estimated effects to be effective instruments, but the team noted that exemptions are based on competitiveness as well as on the use of alternative sectoral instruments, such as voluntary agreements for the exempted sectors. With regard to methane emissions, changes in waste practices including a total ban on landfills are expected to yield major reductions into the next century. Waste gas utilization for energy purposes will also offset CO_2 emissions. The effectiveness of the Netherlands' climate change policy is seen as depending considerably on the progress in the European Community, in particular regarding the proposed energy/CO_2 tax.

7. Provisional data for CO_2 emissions show a growth of 5.3 per cent in actual emissions and 2.3 per cent in temperature-adjusted emissions over the period 1990-1994. For transport alone it was 15 per cent. The team notes that in order to reach its national target for CO_2,

the Netherlands will have to reverse this growth. It then appears crucial that the voluntary agreements in the energy distribution and industry sectors yield their ambitious targets. Methane emissions decreased slightly from 1990 to 1994. Landfill practices are being drastically changed, however, and could result in overall reductions exceeding the 10 per cent target. Additional initiatives in the offshore sector are expected to further improve the situation. Nitrous oxide (N_2O) emissions grew by 13 per cent from 1990 to 1994 and future trends largely depend on the effects of the European Union (EU) common agricultural policy. In view of the aforementioned past growth in CO_2 emissions, uncertainties related to effects of certain measures, and inherent uncertainties in projection estimates, returning greenhouse gas emissions to their 1990 levels remain an open question. However, it is noted that regular monitoring is a crucial element of Netherlands' policymaking.

8. The team noted that the Netherlands is giving high priority to climate change related research. It has made an assessment of possible impacts and adaptation measures, and it has adopted flexible coastal zone management practices that could ensure an autonomous adaptation to gradual changes in sealevel and weather patterns. The Netherlands has also conducted extensive information and public awareness campaigns.

9. The Netherlands made contributions of US$ 52.8 million to the pilot phase of the Global Environment Facility (GEF), and its contribution to the first replenishment of the GEF amounted to US$ 71.4 million. The ratio of official development assistance (ODA) to gross national product (GNP) has been over 0.7 per cent for a number of years. The country's know-how of coastal zone and river delta management is transferred through bilateral projects. The Netherlands Government has earmarked f. 84 million up to 1999 to develop the concept of activities implemented jointly (AIJ) through contributions to practical pilot projects both in Annex I and non-Annex I countries.

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